

COUNTY COUNCIL  
OF  
HARFORD COUNTY, MARYLAND

BILL NO. 11-23

Introduced by Council President Boniface at the request of the County Executive  
Legislative Day No. 11-16 Date June 7, 2011

AN ACT to add new Section 9-188.2, Economic Development Opportunity Loan Fund, to Article XXXI, Office of Economic Development, of Part 4, Administrative Offices and Agencies, of Chapter 9, Boards, Commissions, Councils and Agencies, of the Harford County Code, as amended; to provide the authorization for Harford County, Maryland to revise and maintain the previously established fund which may be used to make loans for economic development purposes; to provide that such loans may be made by the County to businesses in conjunction with loans made by a fund established from time to time by financial institutions doing business in the County; to provide the terms and conditions upon which such loans shall be made; to provide for the duties and responsibilities of the Office of Economic Development with respect to these loans; and generally relating to the Economic Development Opportunity Loan Fund.

By the Council, June 7, 2011

Introduced, read first time, ordered posted and public hearing scheduled

on: July 12, 2011

at: 6:00 PM

By Order: Mary Kate Shulz, Acting Council Administrator

**PUBLIC HEARING**

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on \_\_\_\_\_, and concluded on \_\_\_\_\_.

\_\_\_\_\_, Acting Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

Section 1. Be It Enacted By The County Council of Harford County, Maryland that new Section 9-188.2, Economic Development Opportunity Loan Fund, be, and it is hereby, added to Article XXXI, Office of Economic Development, of Part 4, Administrative Offices and Agencies, of Chapter 9, Boards, Commissions, Councils and Agencies, of the Harford County Code, as amended, all to read as follows:

**Chapter 9. Boards, Commissions, Councils and Agencies**

**Part 4. Administrative Offices and Agencies**

**Article XXXI. Office of Economic Development**

**§ 9-188.2. ECONOMIC DEVELOPMENT OPPORTUNITY LOAN FUND.**

**A. ECONOMIC DEVELOPMENT OPPORTUNITY LOAN FUND.**

(1) THE ECONOMIC DEVELOPMENT OPPORTUNITY LOAN FUND SHALL BE MAINTAINED AND ADMINISTERED BY HARFORD COUNTY, MARYLAND IN ACCORDANCE WITH PROVISIONS OF THIS ACT.

(2) THE ECONOMIC DEVELOPMENT OPPORTUNITY LOAN FUND IS A SPECIAL, CONTINUING NON-LAPSING FUND WHICH SHALL BE AVAILABLE IN PERPETUITY FOR THE PURPOSE OF PROVIDING FINANCIAL ASSISTANCE TO BUSINESSES IN ACCORDANCE WITH THE PROVISIONS OF THIS ACT.

(3) SUBJECT TO THE PROVISIONS OF ANY APPLICABLE RESOLUTION REGARDING THE APPLICATION OF AMOUNTS IN THE ECONOMIC DEVELOPMENT OPPORTUNITY LOAN FUND, THE TREASURER SHALL SEPARATELY HOLD AND SHALL ACCOUNT FOR THE ECONOMIC DEVELOPMENT OPPORTUNITY LOAN FUND. AN APPLICANT FOR A LOAN PURSUANT TO THIS ACT SHALL CERTIFY ITS BEST ESTIMATE AS TO THE

1 EFFECT SUCH LOAN WILL HAVE UPON THE EMPLOYMENT AND THE TAX  
2 BASE OF THE COUNTY.

3 (4) THE COST OF ADMINISTERING THE ECONOMIC DEVELOPMENT  
4 OPPORTUNITY LOAN FUND SHALL BE PAID FROM GRANTS AND AWARDS  
5 FROM AMOUNTS RECEIVED FROM BORROWERS PURSUANT TO LOAN  
6 AGREEMENTS.

7 B. APPROVAL. A RESOLUTION ADOPTED BY THE COUNTY COUNCIL OF HARFORD  
8 COUNTY, MARYLAND UPON WRITTEN RECOMMENDATION OF THE COUNTY  
9 EXECUTIVE OF HARFORD COUNTY, MARYLAND, SHALL SET FORTH THE TERMS  
10 AND PROVISIONS OF SUCH LOAN, INCLUDING SECURITY, RATE OF INTEREST  
11 AND TERMS OF REPAYMENT. THE RESOLUTION MAY PROVIDE THAT THE LOAN  
12 MADE BY THE COUNTY MAY BE CONSIDERED TO BE IN PARITY WITH LOANS  
13 MADE BY OTHER FINANCIAL INSTITUTIONS FOR THE PURPOSES SET FORTH IN  
14 THIS ACT. A RESOLUTION OF THE COUNTY COUNCIL OF HARFORD COUNTY,  
15 MARYLAND APPROVING A LOAN TO BE MADE PURSUANT TO THIS ACT SHALL  
16 CONTAIN A FINDING CONCERNING THE IMPACT OF THE LOAN UPON THE  
17 EMPLOYMENT AND TAX BASE OF THE COUNTY, AND THE FINDING OF THE  
18 COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND SHALL BE CONCLUSIVE  
19 AND BINDING FOR ALL PURPOSES.

20 C. WAIVER. A LOAN MADE BY THE COUNTY PURSUANT TO THIS ACT SHALL BE  
21 EVIDENCED BY A LOAN AGREEMENT. THE LOAN AGREEMENT SHALL CONTAIN  
22 A PROVISION WHEREBY THE BORROWER ACKNOWLEDGES AND AGREES THAT  
23 THE BORROWER'S LOAN OBLIGATION IS CANCELABLE ONLY UPON

1        REPAYMENT IN FULL. THE COUNTY MAY, WITH THE APPROVAL OF THE  
2        COUNTY COUNCIL, CONSIDER A "CONDITIONAL LOAN AGREEMENT" THAT  
3        INVOLVES SIGNIFICANT CAPITAL EXPENDITURE, JOB CREATION AND  
4        CONTINUING PRESENCE IN HARFORD COUNTY FOR THE TERM OF THE LOAN.  
5        IN THE EVENT THAT ALL OF THE PERFORMANCE CRITERIA OF THE LOAN ARE  
6        MET OVER THE TERM, ALL PAYMENTS OF PRINCIPAL AND INTEREST WOULD BE  
7        REFUNDED AT THE END OF THE LOAN TERM UPON ENACTMENT OF A  
8        RESOLUTION BY THE COUNTY COUNCIL.

9    D.    AMOUNT/TERMS. ANY LOAN MADE BY THE COUNTY PURSUANT TO THIS ACT  
10        SHALL NOT EXCEED IN THE AGGREGATE \$200,000 TO ANY ONE BUSINESS;  
11        PROVIDED, HOWEVER, THAT THE LOAN MADE BY THE COUNTY MAY BE  
12        COMBINED WITH OTHER LOANS MADE BY OTHER FINANCIAL INSTITUTIONS  
13        FOR THE SAME PURPOSES AND MAY EXCEED \$200,000 IN THE AGGREGATE AS  
14        LONG AS THE AMOUNT ADVANCED BY THE COUNTY DOES NOT EXCEED  
15        \$200,000. ALL DOCUMENTS CONTAINING THE TERMS AND PROVISIONS OF THE  
16        LOAN SHALL BE SIGNED BY THE COUNTY EXECUTIVE OF HARFORD COUNTY,  
17        MARYLAND. ALL RECORDING COSTS AND OUT OF POCKET EXPENSES  
18        CONCERNING THE LOAN SHALL BE PAID BY THE BORROWER.

19   E.    DUTIES AND RESPONSIBILITIES.

20        (1)    THE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT OF THE  
21            COUNTY OR THE DESIGNEE OF THE DIRECTOR SHALL ATTEND ALL  
22            MEETINGS AND REPRESENT HARFORD COUNTY, MARYLAND FOR THE  
23            PURPOSE OF MEETING WITH FINANCIAL INSTITUTIONS WHICH CONSIDER

1 THE TERMS AND CONDITIONS OF LOANS IN THE AGGREGATE MADE TO  
2 BUSINESSES IN THE COUNTY FOR ECONOMIC DEVELOPMENT PURPOSES.

3 (2) A LOAN BY THE COUNTY IN AN AMOUNT OF OR LESS THAN \$50,000 DOES  
4 NOT NEED A RESOLUTION BY THE COUNTY COUNCIL.

5 (3) ON NOVEMBER 15 AND MAY 15 OF EACH YEAR, THE DIRECTOR OF  
6 ECONOMIC DEVELOPMENT SHALL PREPARE AND SUBMIT TO THE  
7 COUNTY EXECUTIVE AND COUNTY COUNCIL A CUMULATIVE FINANCIAL  
8 REPORT CONTAINING THE TERMS, LOAN AMOUNTS, INTEREST RATE,  
9 OUTSTANDING BALANCES AND OTHER FINANCIAL INFORMATION ON  
10 ALL ECONOMIC DEVELOPMENT OPPORTUNITY LOANS.

11 Section 2. And Be It Further Enacted that this Act shall take effect 60 calendar days from the date  
12 it becomes law.

EFFECTIVE:

*The Acting Council Administrator does hereby certify  
that fifteen (15) copies of this Bill are immediately available  
for distribution to the public and the press.*

*Mary Kate Hurley*  
\_\_\_\_\_  
Acting Council Administrator